Exhibit No.:	
Issue:	**Accounting Schedules**
Witness:	**MoPSC Auditors**
Sponsoring Party:	**MoPSC Staff**
Case No.:	**IR-2004-0272**
Date Prepared:	**March 11, 2004**

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

FIDELITY TELEPHONE COMPANY

CASE NO. IR-2004-0272

Jefferson City, Missouri
March 2004

Fidelity Telephone Company
Case No. IR-2004-0272
Test Year Ending August 31, 2003 Updated through January 2004

Revenue Requirement

Line	(A)		10.12% Equity Return (B)
1	Net Original Cost Rate Base (From Acctg. Sch. 2)	$	10,862,870
2	Rate of Return		9.37%
3	Net Operating Income Requirement	$	1,017,851
4	Net Income Available (From Acctg. Sch 9)		133,718
5	Additional Net Operating Income Needed Before Income Taxes	$	884,133
6	Income Tax Requirement: (From Acctg. Sch. 11)		
7	Required Current Income Tax	$	635,075
8	Test Year Current Income Tax		99,715
9	Additional Current Income Tax Required	$	535,360
10	**Additional Gross Revenue Requirement**	**$**	**1,419,493**
11	Allowance for True-up	$	0
12	**Gross Revenue Requirement Final Totals**	**$**	**1,419,493**

Fidelity Telephone Company
Case No. IR-2004-0272
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Rate Base

Line	(A)			(B)
1	Total Plant In Service			
2	Utility Plant In Service	(From Acctg. Sch 3)	$	27,283,533
3	Subtractions FromPlant In Service			
4	Depreciation Reserve	(From Acctg. Sch 5)	$	15,222,027
5	Accumulated Amortization		$	0
6	Net Plant In Service		$	12,061,506
7	Add:			
8	Cash Working Capital		$	0
9	Materials and Supplies		$	599,008
10	Prepayments		$	36,358
11	Total Additions To Net Plant In Service		$	635,366
12	Less:			
13	Interest Offset	0.0000%	$	0
14	Federal Income Tax Offset	0.0000%	$	0
15	State Income Tax Offset	0.0000%	$	0
16	City Tax Offset	0.0000%	$	0
17	Unamortized Oper ITC		$	2,583
18	Contribution In Aid Of Construction		$	0
19	Customer Deposits		$	55,822
20	Deferred Income Taxes		$	1,775,597
21	Total Deductions To Net Plant In Service		$	1,834,002
22	**Total Rate Base**		**$**	**10,862,870**

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Plant In Service

Line	Account (A)	Plant Title (B)	Balance 8/31/2003 (C)	Total Company Adjustment (D)	Separations Factor (E)	Juris Adjustment (F)	Adj. No. (G)	Adjusted Jurisdictional Plant in Service 1/31/2004 (H)
1		General Plant						
2	2111.000	Land	$ 825,265	$ 0	68.7730%	$ 0	P-1	$ 567,559
3	2112.000	Motor Vehicles	$ 1,392,937	$ 150,365	68.7730%	$ 0	P-2	$ 1,061,375
4	2116.000	Other Work Equipment	$ 1,532,033	$ 68,830	68.7730%	$ 0	P-3	$ 1,100,962
5	2121.000	Buildings	$ 2,487,129	$ 124,064	68.7730%	$ 0	P-4	$ 1,795,796
6	2122.000	Furniture	$ 185,447	$ 5,816	68.7730%	$ 0	P-5	$ 131,537
7	2123.000	Office Equipment	$ 103,881	$ 5,684	68.7730%	$ 0	P-6	$ 75,351
8	2124.000	General Purpose Computers	$ 3,517,886	$ 428,614	68.7730%	$ 0	P-7	$ 2,714,126
9	2125.000	Communications Equipment	$ 71,160	$ 0	68.7730%	$ 0	P-8	$ 48,939
10		Total General Plant	$ 10,115,738	$ 783,373		$ 0		$ 7,495,646
11		Operating Plant Accounts						
12	2212.000	COE Digitial	$ 5,044,404	$ 484,070	63.9460%	$ 0	P-9	$ 3,535,238
13	2232.000	COE Toll Circuit	$ 315,858	$ 6,715	64.0020%	$ 0	P-10	$ 206,453
14	2233.000	COE Subscriber Circuit	$ 3,969,344	$ 254,210	64.0020%	$ 0	P-11	$ 2,703,159
15	2234.000	COE Fiber Circuit	$ 1,122,125	$ 6,123	64.0020%	$ 0	P-12	$ 722,101
16	2411.000	Poles	$ 406,382	$ 872	71.5990%	$ 0	P-13	$ 291,590
17	2421.000	Aerial Cable - Metallic	$ 1,288,250	$ 12,314	71.5990%	$ 0	P-14	$ 931,191
18	2422.000	Underground Cable - Metallic	$ 1,022,418	$ 20,546	71.5990%	$ 0	P-15	$ 746,752
19	2423.000	Buried Cable - Metallic	$ 10,081,388	$ 89,335	71.5990%	$ 0	P-16	$ 7,282,136
20	2431.000	Aerial Wire	$ 177,050	$ (5,148)	71.5990%	$ 0	P-17	$ 123,080
21	2441.000	Conduit Systems	$ 1,319,470	$ 54,198	71.5990%	$ 0	P-18	$ 983,533
22	2451.000	Aerial Cable - Fiber	$ 133,822	$ 1,922	71.5990%	$ 0	P-19	$ 97,191
23	2452.000	Underground Cable - Fiber	$ 927,624	$ 50,018	71.5990%	$ 0	P-20	$ 699,982
24	2453.000	Buried Cable - Fiber	$ 1,124,665	$ 0	71.5990%	$ 0	P-21	$ 805,249
25	2461.000	Aerial Cable - Drop	$ 199,076	$ 613	71.5990%	$ 0	P-22	$ 142,975
26	2463..000	Buried Cable - Drop	$ 684,216	$ 36,762	71.5990%	$ 0	P-23	$ 516,213
27		Total Operating Plant Accounts	$ 27,816,092	$ 1,012,550		$ 0		$ 19,786,843
28		Amortizable Assets						
29	2690.000	Organization Costs	$ 1,518	$ 0	68.7730%	$ 0	P-24	$ 1,044
30		Total Amortizable Assets	$ 1,518	$ 0		$ 0		$ 1,044
31		**Total Plant In Service**	**$ 37,933,348**	**$ 1,795,923**		**$ 0**		**$ 27,283,533**

Fidelity Telephone Company
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Adjustments To Plant In Service

Adj. No.	Description		Total Company Adjustment	Jurisdictional Adjustment
Land		P-1	$ -	$ -
1	No adjustment		$ -	$
Motor Vehicles		P-2	$ 150,365	$ -
1	To update balance through January 2004 (Hanneken)		$ 150,365	$
Other Work Equipment		P-3	$ 68,830	$ -
1	To update balance through January 2004 (Hanneken)		$ 68,830	$
Buildings		P-4	$ 124,064	$ -
1	To update balance through January 2004 (Hanneken)		$ 124,064	$
Furniture		P-5	$ 5,816	$ -
1	To update balance through January 2004 (Hanneken)		$ 5,816	$
Office Equipment		P-6	$ 5,684	$ -
1	To update balance through January 2004 (Hanneken)		$ 5,684	$
General Purpose Computers		P-7	$ 428,614	$ -
1	To update balance through January 2004 (Hanneken)		428,614	$
Communications Equipment		P-8	$ -	$ -
1	No adjustment		$ -	$
COE Digitial		P-9	$ 484,070	$ -
1	To update balance through January 2004 (Hanneken)		$ 484,070	$
COE Toll Circuit		P-10	$ 6,715	$ -
1	To update balance through January 2004 (Hanneken)		$ 6,715	$
COE Subscriber Circuit		P-11	$ 254,210	$ -
1	To update balance through January 2004 (Hanneken)		$ 254,210	$
COE Fiber Circuit		P-12	$ 6,123	$ -
1	To update balance through January 2004 (Hanneken)		$ 6,123	$
Poles		P-13	$ 872	$ -
1	To update balance through January 2004 (Hanneken)		$ 872	$

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Adjustments To Plant In Service

Adj. No.	Description		Total Company Adjustment	Jurisdictional Adjustment
Aerial Cable - Metallic		P-14	$ 12,314	$ -
1	To update balance through January 2004 (Hanneken)		$ 12,314	$
Underground Cable - Metallic		P-15	$ 20,546	$ -
1	To update balance through January 2004 (Hanneken)		$ 20,546	$
Buried Cable - Metallic		P-16	$ 89,335	$ -
1	To update balance through January 2004 (Hanneken)		$ 89,335	$
Aerial Wire		P-17	$ (5,148)	$ -
1	To update balance through January 2004 (Hanneken)		$ (5,148)	$
Conduit Systems		P-18	$ 54,198	$ -
1	To update balance through January 2004 (Hanneken)		$ 54,198	$
Aerial Cable - Fiber		P-19	$ 1,922	$ -
1	To update balance through January 2004 (Hanneken)		$ 1,922	$
Underground Cable - Fiber		P-20	$ 50,018	$ -
1	To update balance through January 2004 (Hanneken)		$ 50,018	$
Buried Cable - Fiber		P-21	$ -	$ -
1	No adjustment		$ -	$
Aerial Cable - Drop		P-22	$ 613	$ -
1	To update balance through January 2004 (Hanneken)		$ 613	$
Buried Cable - Drop		P-23	$ 36,762	$ -
1	To update balance through January 2004 (Hanneken)		$ 36,762	$
Organization Costs		P-24	$ -	$ -
1	No adjustment		$ -	$

Fidelity Telephone Company
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Depreciation Reserve

Line	Account (A)	Plant Title (B)	Balance 8/31/2003 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. (G)	Adjusted Balance 1/31/2004 (H)
1		General Plant						
2	2111.000	Land	$ 0	$ 0	68.7730%	$ 0	R-1	$ 0
3	2112.000	Motor Vehicles	$ 905,642	$ 46,819	68.7730%	$ 0	R-2	$ 655,036
4	2116.000	Other Work Equipment	$ 799,104	$ 25,592	68.7730%	$ 0	R-3	$ 567,168
5	2121.000	Buildings	$ 1,148,505	$ 29,016	68.7730%	$ 0	R-4	$ 809,817
6	2122.000	Furniture	$ 77,262	$ 3,516	68.7730%	$ 0	R-5	$ 55,553
7	2123.000	Office Equipment	$ 75,175	$ 4,199	68.7730%	$ 0	R-6	$ 54,588
8	2124.000	General Purpose Computers	$ 2,495,081	$ 216,700	68.7730%	$ 0	R-7	$ 1,864,973
9	2125.000	Communications Equipment	$ 60,651	$ 3,425	68.7730%	$ 0	R-8	$ 44,067
10		Total General Plant	$ 5,561,420	$ 329,267		$ 0		$ 4,051,202
11		Operating Plant Accounts						
12	2212.000	COE Digitial	$ 2,523,960	$ 140,192	63.9460%	$ 0	R-9	$ 1,703,619
13	2232.000	COE Toll Circuit	$ 248,725	$ 3,435	64.0020%	$ 0	R-10	$ 161,387
14	2233.000	COE Subscriber Circuit	$ 2,539,880	$ 174,851	64.0020%	$ 0	R-11	$ 1,737,482
15	2234.000	COE Fiber Circuit	$ 788,749	$ 150,165	64.0020%	$ 0	R-12	$ 600,924
16	2411.000	Poles	$ 389,727	$ 7,333	71.5990%	$ 0	R-13	$ 284,291
17	2421.000	Aerial Cable - Metallic	$ 1,086,265	$ 19,516	71.5990%	$ 0	R-14	$ 791,728
18	2422.000	Underground Cable - Metallic	$ 476,925	$ 17,211	71.5990%	$ 0	R-15	$ 353,796
19	2423.000	Buried Cable - Metallic	$ 5,776,446	$ 174,814	71.5990%	$ 0	R-16	$ 4,261,043
20	2431.000	Aerial Wire	$ 176,924	$ (5,138)	71.5990%	$ 0	R-17	$ 122,997
21	2441.000	Conduit Systems	$ 215,070	$ 10,996	71.5990%	$ 0	R-18	$ 161,861
22	2451.000	Aerial Cable - Fiber	$ 44,535	$ 2,922	71.5990%	$ 0	R-19	$ 33,979
23	2452.000	Underground Cable - Fiber	$ 223,620	$ 14,494	71.5990%	$ 0	R-20	$ 170,487
24	2453.000	Buried Cable - Fiber	$ 698,962	$ 17,245	71.5990%	$ 0	R-21	$ 512,797
25	2461.000	Aerial Cable - Drop	$ 155,283	$ 4,884	71.5990%	$ 0	R-22	$ 114,678
26	2463..000	Buried Cable - Drop	$ 210,771	$ 12,354	71.5990%	$ 0	R-23	$ 159,755
21								
27		Total Operating Plant Accounts	$ 15,555,842	$ 745,274		$ 0		$ 11,170,824
28		Amortizable Assets						
29	2690.000	Organization Costs	$ 0	$ 0	68.7730%	$ 0	R-24	$ 0
30		Total Amortizable Assets	$ 0	$ 0		$ 0		$ 0
31		**Total Depreciation Reserve**	**$ 21,117,262**	**$ 1,074,541**		**$ 0**		**$ 15,222,027**

Fidelity Telephone Company
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Adjustments To Depreciation Reserve

Adj. No.	Description		Total Company Adjustment	Jurisdictional Adjustment
Land		R-1	$ 0	$ 0
1	No adjustment		$	$
Motor Vehicles		R-2	$ 46,819	$ 0
1	To update balance through January 2004 (Hanneken)		$ 46,819	$
Other Work Equipment		R-3	$ 25,592	$ 0
1	To update balance through January 2004 (Hanneken)		$ 25,592	$
Buildings		R-4	$ 29,016	$ 0
1	To update balance through January 2004 (Hanneken)		$ 29,016	$
Furniture		R-5	$ 3,516	$ 0
1	To update balance through January 2004 (Hanneken)		$ 3,516	$
Office Equipment		R-6	$ 4,199	$ 0
1	To update balance through January 2004 (Hanneken)		$ 4,199	$
General Purpose Computers		R-7	$ 216,700	$ 0
1	To update balance through January 2004 (Hanneken)		$ 216,700	$
Communications Equipment		R-8	$ 3,425	$ 0
1	To update balance through January 2004 (Hanneken)		$ 3,425	$
COE Digitial		R-9	$ 140,192	$ 0
1	To update balance through January 2004 (Hanneken)		$ 140,192	$
COE Toll Circuit		R-10	$ 3,435	$ 0
1	To update balance through January 2004 (Hanneken)		$ 3,435	$
COE Subscriber Circuit		R-11	$ 174,851	$ 0
1	To update balance through January 2004 (Hanneken)		$ 174,851	$
COE Fiber Circuit		R-12	$ 150,165	$ 0
1	To update balance through January 2004 (Hanneken)		$ 150,165	$
Poles		R-13	$ 7,333	$ 0
1	To update balance through January 2004 (Hanneken)		$ 7,333	$
Aerial Cable - Metallic		R-14	$ 19,516	$ 0
1	To update balance through January 2004 (Hanneken)		$ 19,516	$

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Adjustments To Depreciation Reserve

Adj. No.	Description		Total Company Adjustment	Jurisdictional Adjustment
Underground Cable - Metallic		R-15	$ 17,211	$ 0
1	To update balance through January 2004 (Hanneken)		$ 17,211	$
Buried Cable - Metallic		R-16	$ 174,814	$ 0
1	To update balance through January 2004 (Hanneken)		$ 174,814	$
Aerial Wire		R-17	$ (5,138)	$ 0
1	To update balance through January 2004 (Hanneken)		$ (5,138)	$
Conduit Systems		R-18	$ 10,996	$ 0
1	To update balance through January 2004 (Hanneken)		$ 10,996	$
Aerial Cable - Fiber		R-19	$ 2,922	$ 0
1	To update balance through January 2004 (Hanneken)		$ 2,922	$
Underground Cable - Fiber		R-20	$ 14,494	$ 0
1	To update balance through January 2004 (Hanneken)		$ 14,494	$
Buried Cable - Fiber		R-21	$ 17,245	$ 0
1	To update balance through January 2004 (Hanneken)		$ 17,245	$
Aerial Cable - Drop		R-22	$ 4,884	$ 0
1	To update balance through January 2004 (Hanneken)		$ 4,884	$
Buried Cable - Drop		R-23	$ 12,354	$ 0
1	To update balance through January 2004 (Hanneken)		$ 12,354	$
Organization Costs		R-24	$ 0	$ 0
1	No adjustment		$	$

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Depreciation Expense

Line	Account (A)	Plant Title (B)	Adjusted Jurisdictional Plant in Service 1/31/2004 (C)	Depreciation Rate (D)	Depreciation Expense (E)
1		General Plant			
2	2111.000	Land	$ 567,559	0.00%	$ 0
3	2112.000	Motor Vehicles	$ 1,061,375	10.23%	$ 108,579
4	2116.000	Other Work Equipment	$ 1,100,962	7.69%	$ 84,664
5	2121.000	Buildings	$ 1,795,796	2.86%	$ 51,360
6	2122.000	Furniture	$ 131,537	4.55%	$ 5,985
7	2123.000	Office Equipment	$ 75,351	9.09%	$ 6,849
8	2124.000	General Purpose Computers	$ 2,714,126	13.59%	$ 368,850
9	2125.000	Communications Equipment	$ 48,939	5.00%	$ 2,447
10		Total General Plant	$ 7,495,646		$ 628,733
11		Operating Plant Accounts			
12	2212.000	COE Digitial	$ 3,535,238	6.67%	$ 235,800
13	2232.000	COE Toll Circuit	$ 206,453	10.00%	$ 20,645
14	2233.000	COE Subscriber Circuit	$ 2,703,159	10.00%	$ 270,316
15	2234.000	COE Fiber Circuit	$ 722,101	10.00%	$ 72,210
16	2411.000	Poles	$ 291,590	1.00%	$ 2,916
17	2421.000	Aerial Cable - Metallic	$ 931,191	4.76%	$ 44,325
18	2422.000	Underground Cable - Metallic	$ 746,752	3.85%	$ 28,750
19	2423.000	Buried Cable - Metallic	$ 7,282,136	4.17%	$ 303,665
20	2431.000	Aerial Wire	$ 123,080	0.00%	$ 0
21	2441.000	Conduit Systems	$ 983,533	2.00%	$ 19,671
22	2451.000	Aerial Cable - Fiber	$ 97,191	4.76%	$ 4,626
23	2452.000	Underground Cable - Fiber	$ 699,982	3.57%	$ 24,989
24	2453.000	Buried Cable - Fiber	$ 805,249	3.57%	$ 28,747
25	2461.000	Aerial Cable - Drop	$ 142,975	4.76%	$ 6,806
26	2463..000	Buried Cable - Drop	$ 516,213	4.17%	$ 21,526
27		Total Operating Plant Accounts	$ 19,786,843		$ 1,084,993
28		Amortizable Assets			
29	2690.000	Organization Costs	$ 1,044	0.00%	$ 0
30		Total Amortizable Assets	$ 1,044		$ 0
31	**Total Plant In Service**		**$ 27,283,533**		**$ 1,713,726**

ACCOUNTING SCHEDULE 8

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Fidelity Telephone Company
Case No. IR-2004-0272
Test Year Ending August 31, 2003 Updated through January 2004

Income Statement

Line		Account (A)	Description (B)	Total Company (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. (G)	Adjusted Balance 1/31/2004 (H)
1			Operating Revenues						
2	*	5001.000	Local Service	$ 2,629,860	$ (233,587)	100.0000%	$ 0	S-1	$ 2,396,273
3	*	5040.100	Local Private Line	$ 0	$ 0	100.0000%	$ 0	S-2	$ 0
4		5081.000	End User Revenue - interLATA	$ 2,138,252	$ 0	0.0000%	$ 0	S-3	$ 0
5	*	5082.000	Switched Access Revenue - interLATA	$ 1,836,231	$ 0	0.0000%	$ 0	S-4	$ 0
6		5083.000	Special Access Revenue - interLATA	$ 960,159	$ 0	0.0000%	$ 0	S-5	$ 0
7	*	5084.000	State Access Revenue	$ 4,340,018	$ (274,216)	100.0000%	$ 0	S-6	$ 4,065,802
8		50XX.000	All Other 5000 Acct. Revenue	$ 42,624	$ (2,438)	100.0000%	$ 0	S-7	$ 40,186
9		5100.000	Long Distance Revenue	$ 695,375	$ (4,642)	100.0000%	$ 0	S-8	$ 690,733
10		5230.000	Directory Revenue	$ 117,933	$ 758	100.0000%	$ 0	S-9	$ 118,691
11		5240.000	Rent Revenue	$ 367,705	$ 0	57.6320%	$ 0	S-10	$ 211,916
12		5260.000	Federal High Cost Loop	$ 195,047	$ (64,087)	100.0000%	$ 0	S-11	$ 130,960
13		5270.000	Carrier Billing & Collection Revenue	$ 166,772	$ (38,665)	100.0000%	$ 0	S-12	$ 128,107
14		52XX.000	All Other 5200 Acct. Revenue	$ 223,852	$ 10,502	100.0000%	$ 0	S-13	$ 234,354
15		5300.000	Uncollectibles	$ (223,220)	$ 0	100.0000%	$ 0	S-14	$ (223,220)
16			Total Revenue	$ 13,490,608	$ (606,375)		$ 0		$ 7,793,802
17			Operation & Maintenance Expense						
18		6110.000	Network Support Expense	$ 736	$ 0	68.7730%	$ 0	S-15	$ 506
19		6120.000	General Support Expense	$ 588,103	$ (6,401)	68.7730%	$ 0	S-16	$ 400,054
20		6210.000	Central Office Switch Expense	$ 571,346	$ 22,913	63.9770%	$ 0	S-17	$ 380,189
21		6230.000	Central Office Transmission	$ 45,297	$ 0	63.9770%	$ 0	S-18	$ 28,980
22		6310.100	IOT Expense	$ 5	$ 0	0.0000%	$ 0	S-19	$ 0
23		6410.000	Cable and Wire Expense	$ 622,936	$ 0	71.5990%	$ 0	S-20	$ 446,016
24		6510.000	Other PPE Expense	$ 271,000	$ 3,809	68.7730%	$ 0	S-21	$ 188,994
25		6530.000	Network Operations Expense	$ 1,857,851	$ 87,557	68.7730%	$ 0	S-22	$ 1,337,915
26		6540.000	Access Expense	$ 271,131	$ (77,910)	99.7110%	$ 0	S-23	$ 192,663
27			Total Operation & Maint Expense	$ 4,228,405	$ 29,968		0		$ 2,975,317
28			Depreciation Expense						
29		7100.000	Depreciation (from Sch 7)	$ 0	$ 0	67.9008%	$ 1,713,726	S-24	$ 1,713,726
30		7200.000	Cost of Removal and Salvage	$ 0	$ (36,887)	68.7730%	$ 0	S-25	$ (25,368)
31			Total Depreciation Expense	$ 0	$ (36,887)		$ 1,713,726		$ 1,688,358
32			Other Operation Expenses						
33		6610.00	Marketing Expense	$ 521,632	$ (256,995)	70.8709%	$ 0	S-26	$ 187,551
34		6612.000	Sales Expense	$ 0	$ 0	70.8709%	$ 0	S-27	$ 0
35		6620.000	Service Expense	$ 860,241	$ 33,422	82.2170%	$ 0	S-28	$ 734,743
36		6710.000	Exec. & Planning	$ 727,076	$ (12,242)	71.5830%	$ 0	S-29	$ 511,700
37		6720.000	General & Admin.	$ 1,914,246	$ (183,454)	67.9688%	$ 53,249	S-30	$ 1,229,648
38		7240.000	Other Operating Taxes	$ 468,599	$ (14,473)	68.5620%	$ 0	S-31	$ 311,358
39		7540.100	Interest on Customer Deposits	$ 3,532	$ 527	68.8287%	$ 0	S-32	$ 2,794
40			Total Other Operation Expenses	$ 4,495,326	$ (433,215)		$ 53,249		$ 2,977,792

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Income Statement

Line	Account (A)	Description (B)	Total Company (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. (G)	Adjusted Balance 1/31/2004 (H)
41		Total Operating Expenses	$ 8,723,731	$ (440,134)		$ 1,766,975		$ 7,641,467
42		Net Income Before Taxes	$ 4,766,877	$ (166,241)		$ (1,766,975)		$ 152,334
43		Income Taxes						
44	9100.000	Current Income Tax	$ 0	$ 0	100.0000%	$ 99,715	S-33	$ 99,715
45	9200.000	Deferred Income Tax	$ 0	$ (188,917)	68.7701%	$ 48,819	S-34	$ (81,099)
46		Total Income Taxes	$ 0	$ (188,917)		$ 148,534		$ 18,616
47		**Net Operating Income**	**$ 4,766,877**	**$ 22,676**		**$ (1,915,509)**		**$ 133,718**

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Adjustments To Income Statement

Adj. No.	Description		Total Company Adjustment	Jurisdictional Adjustment
Local Service		S-1	$ (233,587)	$ 0
1	To annualize revenues (McMellen)		$ (233,587)	$
Local Private Line		S-2	$ 0	$ 0
1	No adjustment		$	$
End User Revenue - interLATA		S-3	$ 0	$ 0
1	No adjustment		$	$
Switched Access Revenue - interLATA		S-4	$ 0	$ 0
1	No adjustment		$	$
Special Access Revenue - interLATA		S-5	$ 0	$ 0
1	No adjustment		$	$
State Access Revenue		S-6	$ (274,216)	$ 0
1	To annualize revenues (McMellen)		$ (274,216)	$
All Other 5000 Acct. Revenue		S-7	$ (2,438)	$ 0
1	To annualize revenues (McMellen)		$ (2,438)	$
Long Distance Revenue		S-8	$ (4,642)	$ 0
1	To annualize revenues (McMellen)		$ (4,642)	$
Directory Revenue		S-9	$ 758	$ 0
1	To annualize revenues (McMellen)		$ 758	$
Rent Revenue		S-10	$ 0	$ 0
1	No adjustment		$	$
Federal High Cost Loop		S-11	$ (64,087)	$ 0
1	To annualize revenues (McMellen)		$ (64,087)	$
Carrier Billing & Collection Revenue		S-12	$ (38,665)	$ 0
1	To annualize revenues (McMellen)		$ (38,665)	$
All Other 5200 Acct. Revenue		S-13	$ 10,502	$ 0
1	To annualize revenues (McMellen)		$ 10,502	$
Uncollectibles		S-14	$ 0	$ 0
1	No adjustment		$ 0	$
Network Support Expense		S-15	$ 0	$ 0
1	No adjustment		$	$
General Support Expense		S-16	$ (6,401)	$ 0
1	To adjust for July 2003 wage increase (DeVore)		$ 5,302	$
2	To adjust for January 2004 wage increase (DeVore)		$ 4,163	$
3	To eliminate bonuses (DeVore)		$ (1,516)	$
4	To annualize rents (DeVore)		$ (14,350)	$

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Adjustments To Income Statement

Adj. No.	Description		Total Company Adjustment	Jurisdictional Adjustment
Central Office Switch Expense		S-17	$ 22,913	$ 0
1	To adjust for July 2003 wage increase (DeVore)		$ 16,381	$
2	To adjust for January 2004 wage increase (DeVore)		$ 7,615	$
3	To eliminate bonuses (DeVore)		$ (1,083)	$
Central Office Transmission		S-18	$ 0	$ 0
1	No adjustment		$ 0	$
IOT Expense		S-19	$ 0	$ 0
1	No adjustment		$	$
Cable and Wire Expense		S-20	$ 0	$ 0
1	No adjustment		$	$
Other PPE Expense		S-21	$ 3,809	$ 0
1	To adjust for July 2003 wage increase (DeVore)		$ 2,413	$
2	To adjust for January 2004 wage increase (DeVore)		$ 2,046	$
3	To eliminate bonuses (DeVore)		$ (650)	$
Network Operations Expense		S-22	$ 87,557	$ 0
1	To remove the non-telephone portion of vehicle allowances		$ (8,281)	$
2	To adjust for July 2003 wage increase (DeVore)		$ 70,926	$
3	To adjust for January 2004 wage increase (DeVore)		$ 36,377	$
4	To eliminate bonuses (DeVore)		$ (11,465)	$
Access Expense		S-23	$ (77,910)	$ 0
1	To adjust for reciprocal compensation (McMellen)		$ 36,779	$
2	To adjust for intrastate toll (McMellen)		$ 1,482	$
3	To annualize for USF (McMellen)		$ (116,171)	$
Depreciation (from Sch 7)		S-24	$ 0	$ 1,713,726
1	To annualize depreciation expense on current plant. (Hanneken)		$	$ 1,713,726
Cost of Removal and Salvage		S-25	$ (36,887)	$ 0
1	To adjust for cost of removal and salvage (Winter)		$ (36,887)	$
Marketing Expense		S-26	$ (256,995)	$ 0
1	To eliminate specific advertising expenses (DeVore)		$ (24,898)	$
2	To eliminate specific promotional giveaways (DeVore)		$ (110,331)	$
3	To eliminate specific dues and donations (DeVore)		$ (6,255)	$
4	To eliminate specific travel expenses (DeVore)		$ (10,448)	$
5	To remove specific outside service fees (DeVore)		$ (54,987)	$
6	To adjust for July 2003 wage increase (DeVore)		$ 12,007	$

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Adj. No.	Description		Total Company Adjustment		Jurisdictional Adjustment
7	To adjust for January 2004 wage increase (DeVore)	$	891	$	
8	To eliminate bonuses (DeVore)	$	(1,083)	$	
9	To eliminate certain sales employees' salaries (DeVore)	$	(61,891)	$	
Sales Expense	S-27	$	0	$	0
1	No adjustment	$		$	
Service Expense	S-28	$	33,422	$	0
1	To remove the non-telephone portion of vehicle allowances	$	(963)	$	
2	To adjust for July 2003 wage increase (DeVore)	$	18,202	$	
3	To adjust for January 2004 wage increase (DeVore)	$	20,298	$	
4	To eliminate bonuses (DeVore)	$	(4,115)	$	
Exec. & Planning	S-29	$	(12,242)	$	0
1	To remove the non-telephone portion of vehicle allowances	$	(6,066)	$	
2	To eliminate specific vehicle allowance (DeVore)	$	(4,800)	$	
3	To adjust for July 2003 wage increase (DeVore)	$	30,465	$	
4	To adjust for January 2004 wage increase (DeVore)	$	3,063	$	
5	To eliminate bonuses (DeVore)	$	(71,272)	$	
6	To adjust for extraordinary income related to life insurance	$	36,368	$	
General & Admin.	S-30	$	(183,454)	$	53,249
1	To annualize Insurance Other Than Group (Hanneken)	$	4,007	$	
2	To eliminate specific donations (DeVore)	$	(26,548)	$	
3	To eliminate specific miscellaneous expenses (DeVore)	$	(56,749)	$	
4	To remove the non-telephone portion of vehicle allowances	$	(6,933)	$	
5	To eliminate specific vehicle allowance (DeVore)	$	(4,800)	$	
6	To eliminate specific outside services fees (DeVore)	$	(7,905)	$	
7	To eliminate specific legal fees (DeVore)	$	(109,316)	$	
8	To adjust for July 2003 wage increase (DeVore)	$	32,019	$	
9	To adjust for January 2004 wage increase (DeVore)	$	3,160	$	
10	To annualize overtime related to payroll expense (DeVore)	$	1,178	$	
11	To eliminate bonuses (DeVore)	$	(24,521)	$	
12	To adjust rate case expense (DeVore)	$	0	$	53,249
13	To adjust for extraordinary gain related to deferred comp. (DeVore)	$	12,954	$	

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Adjustments To Income Statement

Adj. No.	Description		Total Company Adjustment	Jurisdictional Adjustment
Other Operating Taxes		S-31	$ (14,473)	$ 0
1	To annualize Property Tax (Hanneken)		$ (905)	$
2	To annualize Franchise Tax (Hanneken)		$ (7,667)	$
3	To remove non-regulated items (Hanneken)		$ (5,106)	$
4	To annualize Gross Receipts Tax (McMellen)		$ (795)	$
Interest on Customer Deposits		S-32	$ 527	$ 0
1	To annualize Interest on Customer Deposits (Hanneken)		$ 527	$
Current Income Tax		S-33	$ 0	$ 99,715
1	To adjust income tax. (Winter)		$	$ 99,715
Deferred Income Tax		S-34	$ (188,917)	$ 48,819
1	Amortization of ITC - Acct 7210 (Winter)		$ (5,947)	$
2	Deferred Tax Depreciation - Acct 7250 (Winter)		$ (182,970)	$ 48,819

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Income Tax

Line	Description (A)			Test Year (B)		9.37% Return (C)		9.37% Return (D)		9.37% Return (E)
18	Provision For Federal Income Tax									
19	Net Taxable Income (Page 1)			$	275,827	$ 1,695,319	$	1,695,319	$	1,695,319
20	Deduct:									
	Missouri Income Tax		100.00%		$14,579	$88,889		$88,889		$88,889
21	City Income Tax				$0	$0		$0		$0
22	Federal Taxable Income			$	261,248	$ 1,606,430	$	1,606,430	$	1,606,430
23	Federal Income Tax	@	34.00%	$	85,137	$ 546,186	$	546,186	$	546,186
24	Provision For Missouri Income Tax									
25	Net Taxable Income (Page 1)			$	275,827	$ 1,695,319	$	1,695,319	$	1,695,319
26	Deduct:									
27	Federal Income Tax		50.00%		$42,568	$273,093		$273,093		$273,093
28	City Income Tax				$0	$0		$0		$0
29	Missouri Taxable Income			$	233,258	$ 1,422,226	$	1,422,226	$	1,422,226
30	Missouri Income Tax	@	6.25%	$	14,579	$ 88,889	$	88,889	$	88,889
31	Provision For City Income Tax									
32	Net Taxable Income (Page 1)			$	275,827	$ 1,695,319	$	1,695,319	$	1,695,319
33	Deduct:									
34	Federal Income Tax				NA	NA		NA		NA
35	Missouri Income Tax				NA	NA		NA		NA
36	City Taxable Income			$	275,827	$ 1,695,319	$	1,695,319	$	1,695,319
37	City Income Tax	@	0.00%	$	0	$ 0	$	0	$	0
38	Summary of Provision For Income Tax									
39	Federal Income Tax Total			$	85,137	546,186		546,186		546,186
40	Missouri Income Tax Total				$14,579	$88,889		$88,889		$88,889
41	City Income Tax Total				$0	$0		$0		$0
42	**Total Income Tax**			**$**	**99,715**	**$ 635,075**	**$**	**635,075**	**$**	**635,075**

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Income Tax

Line	Description (A)	Test Year (B)	9.37% Return (C)	9.37% Return (D)	9.37% Return (E)
1	Net Operating Income (Acctg. Sch. 1)	$133,718	$1,017,851	$1,017,851	$1,017,851
2	Add:				
3	Current Income Tax	$99,715	$635,075	$635,075	$635,075
4	Deferred Income Tax	($81,099)	($81,099)	($81,099)	($81,099)
5	Net Income Before Taxes (Acctg. Sch. 9)	$ $152,334	$ $1,571,827	$1,571,827	$1,571,827
6	Add to Net Income Before Taxes				
7	Book Depreciation	$1,713,726	$1,713,726	$1,713,726	$1,713,726
8	Other	$0	$0	$0	$0
9	Total Additions	$ $1,713,726	$ $1,713,726	$1,713,726	$1,713,726
10	Subtractions From Net Income Before Taxes				
11	Interest Expense @ 0.86%	$92,923	$92,923	$92,923	$92,923
12	Excess Tax Depreciation	($200,606)	($200,606)	($200,606)	($200,606)
13	Tax Straight Line Depreciation	$1,697,917	$1,697,917	$1,697,917	$1,697,917
14	Normalized Tax Depreciation	$0	$0	$0	$0
15	Other	$0	$0	$0	$0
16	Total Subtractions	$ 1,590,234	$ 1,590,234	$ 1,590,234	$ 1,590,234
17	Net Taxable Income	$ 275,827	$ 1,695,319	$ 1,695,319	$ 1,695,319